



Northern Ireland
Assembly

Committee for Agriculture, Environment and
Rural Affairs

OFFICIAL REPORT (Hansard)

Areas of Natural Constraint: Department of
Agriculture, Environment and Rural Affairs

15 December 2016

NORTHERN IRELAND ASSEMBLY

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Members present for all or part of the proceedings:

Ms Caoimhe Archibald (Chairperson)
Mr Oliver McMullan (Deputy Chairperson)
Mr Maurice Bradley
Mr David Ford
Mr William Irwin
Mr Harold McKee
Mr Edwin Poots
Mr Robin Swann

Witnesses:

Dr Paul Caskie	Department of Agriculture, Environment and Rural Affairs
Mr Mark McLean	Department of Agriculture, Environment and Rural Affairs

The Chairperson (Ms Archibald): I welcome Mark McLean and Paul Caskie and invite them to give their briefing. Oliver and I, as Chair and Deputy Chair, met the officials yesterday. Do you want to take a few minutes to make your remarks?

Dr Paul Caskie (Department of Agriculture, Environment and Rural Affairs): Yes, Chair; thank you for the invitation. I will make a brief statement to update the Committee and will be happy to take questions.

An extensive consultation exercise was completed earlier this year on options for future support to areas of natural constraint (ANC). Following that, Minister McIlveen announced that there would be no pillar 1 ANC scheme or a scheme funded by a pillar 1 to pillar 2 transfer. Having carefully considered the remaining options, the Minister proposed a one-year ANC scheme worth £8 million and announced that decision on 7 December 2016. That is £8 million more than would have been paid on severely disadvantaged area (SDA) land had the Minister not intervened. That is because the existing ANC scheme was programmed to run for two years and will end this year.

The Committee was formally written to on the morning of 7 December to advise of the Minister's decision. Subject to the outcome of the Executive's ongoing Budget exercise, the funding will be met from within existing departmental resources. The Minister will now bring the matter to her Executive colleagues to seek their approval.

The one-year scheme will form part of the rural development programme (RDP). The Department, therefore, will consult the RDP monitoring committee before seeking approval for a rural development programme modification from the EU Commission. The papers regarding that modification issued to the monitoring committee on Thursday 8 December.

Subject to the necessary agreements, claims will be made to the transitional scheme in 2017 and payments made in 2018. The scheme will provide time for farmers in the severely disadvantaged area to adjust, while recognising that the SDA as a whole is benefiting from year-on-year increases in pillar 1 payments under the move towards a flat rate for the basic payment scheme. The pillar 1 payment to the SDA region has increased by around €4 million a year from 2014. By 2019, the increase will be €20 million, which is about £17 million at current exchange rates, compared with the 2014 level. SDA farmers can also benefit from other schemes that can support their businesses: the farm business improvement scheme, which has now opened, or the environmental farming scheme, which will open next February. That is the background. I am happy to discuss any issues with you and the Committee.

The Chairperson (Ms Archibald): We had asked for responses from the farming stakeholders: NIAPA, the Ulster Farmers' Union (UFU) and the Belfast Hills Partnership. They expressed concerns about the budget and the one-year period. The UFU and NIAPA expressed concerns about the process of redesignating the ANCs being halted in conjunction with that. They pointed out that the transfer to the flat rate did not quite reach equivalence until 2019. They remarked that consideration could be given to extending the ANC scheme until 2019. Do you have any comments on any of those points?

Dr Caskie: I will start with the last point about extending the scheme. The decision is that it will be a one-year scheme, but it is there to ease adjustment. Again, I would point out that, in 2018, when we combine the money transferring to the SDA as a whole as a result of the basic payment scheme and this £8 million, we will come up with a sum of money that is not very far away from what the ANC payment would be. It goes a long way towards smoothing the transition, although we recognise that it does not completely eliminate a slight dip in moneys going to the SDA. At the same time, we have to recognise that the basic payment scheme payments that go to the disadvantaged areas and the lowlands are decreasing over this period, so, if we add the basic payment scheme and the ANC together, SDA farmers are maintaining their share of total support.

A decision has been made to stop designation under the EU regulation. The point about that is that it is really an EU initiative; it was required if the ANC scheme was to continue. Since it will not continue, it is not necessary to do that. We can operate this one-year scheme with the existing severely disadvantaged area boundaries. The UK referendum result also has a bearing. Given that we are leaving the EU, it is less significant that we have the ANC designation according to EU rules in place.

The Chairperson (Ms Archibald): The Belfast Hills Partnership asked for clarification that the final payment would be in March 2018.

Dr Caskie: Yes. The final payment will commence in March 2018 on claims that are made as part of the single application process in spring 2017.

Mr Ford: First, I redeclare my interest in an SDA piece of land.

You just said that, in 2019, the sum of money would not be far away from what the ANC payment would be. Will you give us the exact figures as to what it would have been and what it will now be?

Dr Caskie: I will ask my colleague to answer that question.

Mr Mark McLean (Department of Agriculture, Environment and Rural Affairs): The amount of money going into the SDA region as a whole as a result of CAP reform and moving towards a flat rate is a €4 million a year increase. That started in 2015, so, in five years' time in 2019, it will be €20 million, which, at current exchange rates, would be around £17 million. The previous budget for the ANC scheme was £20 million.

Mr Ford: It is a £3 million deficit.

Mr McLean: Yes.

Mr Ford: Paul, you started your presentation by referring to the Committee being written to on the morning of 7 December. How many members does the Department think are likely to have accessed information from the Committee office in the hour between you sending that email and you issuing the public press release?

Dr Caskie: I cannot answer that question, Mr Ford.

Mr Ford: In that case, will you take the question back to the Minister's private office and say that I, as a member of the Committee — other members, I suspect, may agree with me — take a dim view of the way in which the Minister and the Department continuously treat the Committee, which has a legal duty to advise and assist and is not being treated in that way.

Dr Caskie: We are here today to address your questions.

Mr Ford: You are here today eight days late to address the questions.

Dr Caskie: Yes, but the scheme will run in 2018.

Mr Ford: You are here today to inform the Committee, eight days after the public were informed. We just had a detailed presentation from the TB strategy group, a few hours before its public presentation, which is entirely contrary to the way in which the Department operates in a number of areas, not all of which are your responsibility, but you happen to be the unfortunate DAERA official who is sitting at the end of the table when this point comes up.

Dr Caskie: The Clerk has already relayed your point to the Department.

Mr Ford: I would appreciate it if you would also relay it.

The Chairperson (Ms Archibald): The Committee has expressed its concerns previously. We recognise that you are here as departmental officials, and we relay our concerns again.

Mr Ford: You also highlighted other schemes that farmers in SDA could benefit from. As far as I am aware, none of them is available only to farmers in SDAs.

Dr Caskie: That is correct.

Mr McMullan: I have one issue: I can deal with it through the Chair and by writing to the Minister and asking her to explain a letter that is in our correspondence.

The Chairperson (Ms Archibald): Do you want to refer to it now?

Mr McMullan: It is the letter dated 28 November from the Minister to the last Chair of the Committee. It states:

"Nor was there a justifiable reason why this mechanism was needed for a particular sub-section of the rural population given the existence of the broader welfare regime."

That needs to be explained. Can we write to ask for an explanation? Does the "broader welfare regime" take account of the new welfare system that is coming in? If it is about money going out and what people already earn, it has ramifications for the industry and for people working part-time on farms.

The Chairperson (Ms Archibald): That is grand; we will do that.

Thank you for your presentation. We will pass on the responses we have received to the Department and, perhaps, write to the Minister to reflect the concerns expressed in those responses.

Dr Caskie: Thank you, Chair.